

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6598

BILL NUMBER: SB 349

NOTE PREPARED: May 1, 2013

BILL AMENDED: Apr 26, 2013

SUBJECT: Utilities; Economic Development.

FIRST AUTHOR: Sen. Head

FIRST SPONSOR: Rep. Friend

BILL STATUS: Enrolled

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: Local

Summary of Legislation: This bill, with respect to a municipality that: (1) has a municipally owned utility that has donated funds to a local economic development organization before July 1, 2012; and (2) is a city having a certain population size; adds to the chapter in the Indiana Code concerning donations by local units of government a provision authorizing the municipal legislative body, with the approval of the board of the municipality's municipally owned utility, to donate funds from the municipally owned utility's surplus earnings to a local economic development organization as long as certain obligations of the municipally owned utility are met before the donation is made.

Effective Date: July 1, 2013.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues: Under the bill, a municipal legislative body, with the approval of the board of the municipality's municipally owned utility, may donate funds from the utility's surplus earnings to a local economic development organization (as defined in this bill) as long as certain obligations of the utility are met before the donation is made. The municipality must be a city with a population of between 11,000 and 11,450 and the utility must have donated funds to the local economic development corporation before July 1, 2012.

Currently, there is one city (Peru) that meets the above criteria. The long term fiscal impact would depend on how much revenue the utility donates to the local economic development organization, and if this spurs other economic development initiatives within the municipality.

State Agencies Affected:

Local Agencies Affected: Municipally owned utility, Peru; Local economic development organizations, Peru.

Information Sources: Population Estimates for Indiana's Incorporated Places, 2010-2011,
<http://www.stats.indiana.edu/population>

Fiscal Analyst: David Lusan, 317-232-9592.